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C O N F I D E N T I A L SECTION 01 OF 05 LISBON 000136

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SUBJECT: (C) WHAT IS WRONG WITH THE PORTUGUESE MOD?

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Classified By: AMBASSADOR STEPHENSON, FOR REASONS 1.4 (b, d)

¶1. (C/NOFORN) SUMMARY: In November 2008 we reported on the Portuguese MFA and the forces that shape its policy-making (reftel). In this companion piece, we look at the Portuguese MOD. Portugal is a NATO ally, but its contributions to security operations are usually far less than we desire. The MOD is a rigid organization with several structural impediments to timely action. This has frustrated many U.S. observers and would-be partners. These impediments are due to historical, organizational, budgetary, and psychological factors.

¶2. (C/NOFORN) We believe these impediments can be mitigated by following some suggested guidelines. For example, we should define our requests as falling within the three pillars of Portuguese foreign policy (the EU, the transatlantic relationship, and the lusophone world). We should never miss an opportunity to encourage the GOP, because the GOP will never miss an opportunity to procrastinate. We should engage early and often and be ready to do the MOD's internal and interagency consultations for them. We should ensure that IMET continues, even at a nominal amount. These suggestions will not completely resolve the problems, but they will help us match Portugal's genuine assertions of partnership with tangible action. For the most important of security operations)- ISAF)- we believe high-level attention from Washington would increase the likelihood of significant additional contributions. END SUMMARY.

¶3. (C/NOFORN) Reftel is a discussion of institutional problems in the Portuguese Ministry of Foreign Affairs (MFA). This companion piece explains the difficulties and opportunities in dealing with the Portuguese Ministry of Defense (MOD). Portugal participates in major NATO and EU multilateral operations, including ISAF in Afghanistan, KFOR and EUPM in the Balkans, and UNIFIL in Lebanon. Yet we are often frustrated by low levels of contributions and ambition, by unexpected force changes, and by excruciating delays in Portuguese decision-making and deployments. These involutions are not intentional, but are the product of

domestic politics, including a native mistrust of military institutions rooted in the fact that Portugal cast off its military dictatorship only in 1974. Complicating this mindset is a set of structural impediments, including severe budgetary pressures and an ossified hierarchy.

¶4. (C/NOFORN) On the bright side, Portugal holds fast to the belief that NATO is the ultimate security guarantor in Europe. Portuguese officials have led the fight within the EU to strengthen transatlantic links, including taking the lead on the effort to resettle Guantanamo detainees. Every level of the officer corps includes leaders with experience in the United States and admiration for the U.S. armed forces.

HISTORICAL AND ORGANIZATIONAL ISSUES

¶5. (C/NOFORN) Portugal's military dictatorship lasted until 1974, outliving even its dictator, Alberto Salazar. It created in the Portuguese a healthy distrust for uniformed police and military institutions. The Portuguese have enshrined these sentiments into laws and day-to-day politics in ways designed to fortify civilian control and ensure broad dispersion of governmental authorities. Thus, at a time when the US and other western militaries strive to increase "jointness" and interoperability of military branches and military/civilian instruments, Portugal's armed services remain zealously segregated from each other and from the MOD itself.

¶6. (C/NOFORN) At the same time, in one of the perverse legacies of the 1974 transition to democracy and the end of Portugal's colonial wars, the uniformed services have a

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status quo culture that fills flag billets with time-servers who evaded controversy, rather than with creative thinkers promoted for performance. Wait around long enough, officers tell us, and you will make colonel or general. This culture cultivates risk-averse thinking and a top-heavy officer corps where delaying a decision is often the best decision for all concerned. For example, when we asked the commanding general of Portugal's military academy if his band could play at a U.S.-hosted reception. The two-star general replied that he would have to check with the Army Chief of Staff.

¶7. (C/NOFORN) A corollary to the rule that no one makes command decisions is that anyone can obstruct them. Overcoming opposition would require an official to challenge the opposition publicly, a rarely rewarded act. This need for consensus often stymies senior GOP officials. At U.S.-Portugal Bilateral Commission meetings, senior MFA and MOD officials have implored us to cooperate on security training in lusophone Africa. We agreed, and yet only one of the sixteen trilateral projects that we proposed -- at GOP request -- resulted in Portuguese participation (a single Portuguese sergeant's billet attached to the U.S. Army's demining training in Guinea-Bissau). Thus, the MOD could not approve activities that the GOP itself had pitched to us. Even though the civilian leadership had promoted these projects as a priority, several officers told us certain officials within the MOD still believe lusophone Africa to be their "turf" and do not want other nations engaged there.

¶8. (C/NOFORN) Another factor is the "stove-pipe" structure of the services. The result of the segregation of the services from each other and from the MOD's policy leadership was the creation of three service fiefdoms. While the Chief of Defense (CHOD) is nominally the most senior military officer, he does not have command or budget authority over the individual service chiefs, who regularly ignore his orders. Recently, the MOD requested a Special Operations joint training activity with the U.S. Army. We agreed and provided a proposal, which was approved by the Portuguese Army and the MOD. Just weeks before the U.S. training team was due to arrive, the Portuguese Air Force raised objections. Although

we met their demands, the entire mission)- that the Portuguese themselves requested -- had to be scrubbed.

¶9. (C/NOFORN) There are ideas to reform this ossified structure. A concept paper for institutional reform of the MOD was recently approved by parliament, but the specific proposals remain under discussion. The reform would invest additional powers in the CHOD at the expense of the service chiefs, who are resisting the legislation mightily. In fact, this bill creates a conundrum for the Air Force Chief of Staff, a dinosaur who hopes to become the next CHOD. He has fought against the centralization plans but, given his odds to get the CHOD position, may relent and let the plan go through to consolidate power in that office.

BUDGETARY AND PSYCHOLOGICAL PRESSURES

¶10. (C/NOFORN) Like most NATO allies, Portugal falls short of the NATO official standard of two percent of GDP dedicated to military spending. Portugal is currently at 1.3 percent and spends that money unwisely. Portugal has more generals and admirals per soldier than almost any modern military: 1 per 260. The U.S., by comparison, has a ratio of 1 per 871. The image of generals sitting around doing nothing is no mere allegory. Portugal has an additional 170 generals and admirals receiving full pay while in inactive reserve status.

¶11. (C/NOFORN) This in turn contributes to the tight budget that becomes the main obstacle to greater deployments to ISAF and elsewhere. The uniformed services evince frustration about their small role in ISAF. There is little public opposition to ISAF deployment, so the only political obstacle is deciding from which government account resources would be diverted to pay for additional deployments.

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¶12. (C/NOFORN) Regarding defense procurement, the MOD's desires and actions seem to be guided by peer pressure and the desire for expensive toys. The MOD purchases weapons platforms as a matter of pride, regardless of their utility. The two most obvious examples are their two submarines (currently delayed) and 39 fighter jets (only twelve of which are airworthy).

¶13. (C/NOFORN) With 800 kilometers of coastline and two distant archipelagoes to defend, the two German submarines they purchased in 2005, and which are still under construction, are not the wisest investment. The subs have no formal mission task and lack the resources even to patrol aimlessly. Portugal purchased the submarine hulls but failed to order missile systems, meaning the subs will be without a strike capability even if they did have a mission. The two submarines replace two 50-year old Daphne class submarines that, although officially in service, were described by a U.S. Navy submariner as "deathtraps" that rarely left the pier. Meanwhile, Portugal has few serviceable coastal patrol craft for littoral defense and to address narcotrafficking, migration, and fisheries. Portugal has a few early-generation F-16s, but only one operational C-130 to get its soldiers and equipment to and from the fight. (Note: this C-130 spent three months in Afghanistan in 2008 and may return for a 2009 deployment. End note.)

¶14. (C/NOFORN) Portugal also suffers from buy-European procurement pressures. The EU's European Defense Agency ostensibly is supposed to harmonize the purchase programs of member states for greater efficiency. The thinly-veiled true objective, readily confessed to by Portuguese military and political officials, is to ensure member states "buy European" regardless of whether the items fit Portugal's defense strategy. Thus, Portugal used a U.S. excess defense article (EDA) budget to order two used frigates. Under pressure from European states, however, the MOD chose to spend over 300 million euros on used frigates from the

Netherlands. The U.S. EDA frigates would have required only approximately 100 million euros in refit and logistics support. The "study" that led the MOD to choose the Dutch frigates compared used U.S. frigates to new Dutch frigates, even though the Dutch ships were more than 15 years old. They also counted the 100 million euro refit and logistics expense as a "cost" while only counting the hull cost of the Dutch frigates in the price comparison.

¶15. (C/NOFORN) Similar funny accounting occurred with patrol helicopters, a critical necessity for Portugal's two Atlantic archipelagoes. The European-made EH-101 was ruled cheaper than U.S. competition, but only because spare parts and service were not included in the European proposal. Weeks after entering service, the EH-101s were grounded for lack of spare parts. The 20-year old Pumas the EH-101s were supposed to replace were forced back into service. Separately, Portugal procured 36 used Leopard A6 tanks from the Netherlands. The tanks are fine, but Portugal has no operational doctrine, no maintenance operation, and no spare parts for them. Additionally, the tank purchase represented a departure from the Army's stated objective of becoming more expeditionary, deployable, and lightweight.

HOW TO WORK WITH THE MOD

¶16. (C/NOFORN) As noted reftel, Portugal's foreign policy is based on three pillars: the EU, the lusophone community, and the transatlantic relationship. The most important way to encourage cooperation on an issue is to place it within those pillars. This is why the Portuguese show little interest in Cuba, Venezuela, or Zimbabwe, no matter how often we bring them up, but they care deeply about Angola, East Timor, and the Balkans. ISAF is important to Portugal in the context of NATO (transatlantic) unity, but when the Al Qaeda training camps had been cleared and the Taliban driven from power, the ISAF mission became less immediate to Portuguese interests. Our task, then, is to remind the Portuguese continually of Afghanistan's centrality to European security and

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transatlantic unity. This yields:

Guideline #1: We must define our requests within the three pillars of Portuguese foreign policy in order to get a good hearing from the GOP.

¶17. (C/NOFORN) Portugal suffers from an inferiority complex and a sense of being economically, politically, and militarily weaker than its European and transatlantic partners. For this reason, the Portuguese tend to focus on qualitative factors rather than quantitative; i.e., how soldiers performed rather than the number deployed. In this regard the GOP regularly searches for validation. GOP officials often complain that we take them for granted. They are particularly cognizant that next door in Spain a government opposed to many of our policies seems to get regular high-level visits and love. In this climate, attention to Portugal from either President Obama or Secretary Clinton would help achieve our goals. On mil-to-mil engagement, MOD officials have long hoped for high-level staff talks with U.S. counterparts. We should seek creative ways to meet this request as it will help keep the Portuguese on track.

Guideline #2: Never miss an opportunity to encourage the GOP, because the GOP will never miss an opportunity to procrastinate.

¶18. (C/NOFORN) At the tactical level, we must recognize the obstacles to decision-making in the MOD. This means we should engage early and at all levels and assist in the MOD's internal coordination. Recently the Portuguese Navy approached us to ask that we ask their MOD to allow the navy to purchase the Harpoon missile; by no means the first time one GOP institution asked us to weigh in with another. We

must also be mindful of Portugal's calendar year budgetary cycle. Important decisions are made in the early autumn, which this year happens to coincide with national elections.

Guideline #3: Engage early and often, help do the MOD's internal and interagency consultations for them, and continue to track issues even after agreements are reached.

¶19. (C/NOFORN) The one great tool we have in our engagement with the MOD is that many of its officers have training or liaison experience with the U.S. The International Military Education and Training (IMET) program is a cheap tool to ensure that a large percentage of the officer corps has experience in the US. Through IMET, Portugal has access to discounted training on an FMS basis which enhance its capabilities and likelihood these officers will cooperate with us in the future.

Guideline #4: Ensure that IMET continues, even at a nominal amount. Link this program and our other joint training endeavors to the tasks we would like the Portuguese to undertake.

COMMENT

¶20. (C/NOFORN) While ISAF is a NATO mission, Portuguese officials have made clear to us that a high-level request from the new U.S. administration directly to the GOP would likely yield new GOP contributions. It has long been said, by both GOP and USG officials, that the Portuguese will always do their best for us. That is still true, although it isn't always much of a best. We believe that bearing these guidelines in mind will not eliminate the frustrations of dealing with the MOD, but it will improve our overall defense cooperation with the Portuguese.

For more reporting from Embassy Lisbon and information about Portugal, please see our Intelink site:

<http://www.intelink.sgov.gov/wiki/portal:portugal>

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